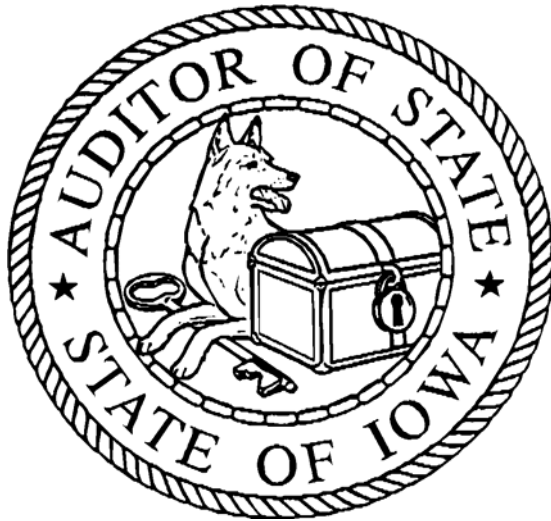


COMMUNITY SCHOOL DISTRICT AUDIT PROGRAM GUIDE SUPPLEMENT

For the year ended June 30, 2005



DAVID A. VAUDT, CPA
AUDITOR OF STATE

Supplement to Community School District Audit Program Guide

June 30, 2005

For the fiscal year ended June 30, 2005, guidance on changes and updates is provided in this 2005 Audit Program Guide Supplement. This supplement should be used in conjunction with the fiscal 2004 Audit Program Guide previously issued by this office.

Also, the 2004 Audit Program Guide previously issued by this office has several references to GASB 34 implementation. This language was not amended with this supplement since some governments may not have implemented or did not fully implement GASB 34 in prior years.

DISTRICT _____**June 30, 2005****AUDIT PLANNING**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p><i>GF-1.2 – Insert the following procedure and renumber other steps as appropriate:</i></p> <p>F. Inquire as to the existence of any attestation engagements, performance audits, or other studies (for example – Federal audits, program audits, IT audits, reviews by state agencies, etc.) that have been performed and determine the current status of any findings or recommendations identified that may directly affect the risk assessment and audit procedures in planning the current audit. (GAS Chapter 4.15)</p> <p><i>GF-1.7 – Insert the following procedure and renumber other steps as appropriate:</i></p> <p>Z. Document the auditor’s consideration of the risk of material misstatement due to abuse. If indications of abuse exist, plan audit procedures to determine whether abuse has occurred and the effect on the financial statements. (GAS Chapter 4.17b)</p>	A,D				

DISTRICT _____**June 30, 2005****PLANNING CONFERENCES**
ENTRANCEItemsDiscussion***GF – 2.2 – Revise F.1. as follows:***

F. Auditor's responsibilities for:

Discussed?

1. Obtaining an understanding, testing and reporting on internal controls and compliance with laws and regulations (discussion of par. 4.12 and 4.13 of Government Auditing Standards may be helpful).

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DISTRICT _____

June 30, 2005

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p><u>TRIAL BALANCE</u></p> <p><i>GF-9.1 – Insert the following procedure in C.2. and renumber other procedures as appropriate:</i></p> <p>2. Determine amounts due to/from Agency Funds are eliminated and recorded as cash adjustments.</p> <p><i>GF-9.2 – Delete procedure G.5. and renumber other procedures as appropriate.</i></p> <p><u>INVESTMENTS</u></p> <p><i>GF-9.9 – Insert revised procedure G. as follows:</i></p> <p>G. Document investment information for footnote disclosure in accordance with GASB 40 as follows:</p> <p>1. Investments on hand at June 30 should be listed by type and include maturities.</p> <p>2. Include the appropriate disclosures for the applicable risks:</p> <p>a. Credit risk</p> <p>b. Custodial credit risk</p> <p>c. Concentration of credit risk</p> <p>d. Interest rate risk</p> <p>e. Foreign currency risk</p> <p><u>CURRENT LIABILITIES</u></p> <p><i>GF-9.22 – Insert revised procedure A.1.k. as follows:</i></p> <p>k. Matured portion of accrued compensated absences for governmental funds.</p> <p><u>LONG-TERM LIABILITIES/DEBT</u></p> <p><i>GF-9.26 – Insert revised procedure A.1.e. as follows:</i></p> <p>e. Compensated absences:</p> <p>1) Portion due within one year</p> <p>2) Portion due after one year</p> <p><i>GF-9.29 – Insert revised procedure C.8.b. as follows:</i></p> <p>a. PPEL (Chapter 298.3 of the Code of Iowa, including the allowable purchase of a single unit of equipment or technology greater than \$500 or the purchase of</p>	D				

DISTRICT _____**June 30, 2005**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>buildings or lease-purchase option agreements for school buildings).</p> <p><u>SINGLE AUDIT</u></p> <p><i>GF-9.56 – Insert revised procedure A.6. as follows:</i></p> <p>6. GAO <u>Government Auditing Standards</u> (the Yellow Book), 2003 revision.</p> <p><u>MISCELLANEOUS</u></p> <p><i>GF-9.76 – Insert revised procedures of section C. as follows:</i></p> <p>C. Certified Enrollment</p> <ol style="list-style-type: none"> 1. Obtain documentation from the Department of Education of the amount certified as basic enrollment for the District for September, 2004. 2. Examine documentation maintained by the district of the numbers certified as basic enrollment. <ol style="list-style-type: none"> a. Resident public students – line 1 <ol style="list-style-type: none"> 1) Determine that the number reported agrees to the number of students reported on Form 1. 2) On a test basis, determine that the number reported on line 1 does not include any students required to be reported on any other row. For example, open enrollment students (rows 2 or 8), tuitioned students (rows 3, 6, 9 or 10), or part-time, shared-time students (rows 4 or 5). Also determine that no home school assistance program student or dual enrolled student is also counted as a 1.0 student (rows 1, 2, 3, 8 or 9). 3) Through inquiry, determine that the number reported does not include any out-of-state students who are living in the district only for the purposes of attending school or foreign exchange students. (Guardianship does not determine residency and does not meet the definition of residency.) 4) Determine that: <ol style="list-style-type: none"> a) Regular education foster care students have been included if the student was not a resident of the District prior to entering foster care and was enrolled in the district on the third Friday in September. b) Special education foster care students have not been included. 	A				

DISTRICT _____**June 30, 2005**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>b. Open Enrollment (out) – line 2</p> <p>1) Determine that payments made to other districts support the number of students reported on Form 2. (Review open enrollment approvals also since tuition may not be required due to timeliness of approval. If the student was counted on the third Friday in September, tuition would be due.)</p> <p>c. Tuitioned out resident public students for which the District is paying tuition (other than open enrolled out) – line 3.</p> <p>1) Determine that tuition paid to other districts supports the number of students reported.</p> <p>d. Shared-time accredited non-public students (resident and nonresident) – line 4. (Note: The count should be determined from the actual first semester enrollments and second semester pre-registrations not from estimates.)</p> <p>1) Examine District documentation for the number reported as enrolled in a particular shared subject on Forms 4a and 4b.</p> <p>2) Determine that all district-offered services and classes included on line 4 are provided at the public school and not at the nonpublic school.</p> <p>3) Determine that tuition paid to a postsecondary school supports the number reported as enrolled at a particular postsecondary school on Form 4b.</p> <p>e. Part-time public students – line 5.</p> <p>1) If the Iowa School for the Deaf or Iowa Braille and Sight Saving School is located within the District and students residing in the state institution are enrolled in regular education classes at the District, determine the District appropriately included students on Form 5.</p> <p>f. High School students enrolled in a community college for whom the district pays tuition – line 6.</p> <p>1) Determine that tuition paid to a community college supports the number reported for students enrolled in a community college.</p> <p>2) Determine that this is an FTE and not a headcount.</p> <p>3. Examine documentation maintained by the District of the numbers certified as supplementary weighting on line 12. (See Iowa Administrative Code Chapter 281-97.)</p>					

DISTRICT _____**June 30, 2005**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>a. Through inquiry, determine the students reported do not include special education students, students covered under the post-secondary enrollment option (Chapter 261C of the Code of Iowa), open enrollment students (in or out), whole grade sharing students (in or out), students who are not residents of the district, nonpublic students, or students in at-risk programs, GED programs, or alternative schools, or courses taught via ICN, or students participating in a home school assistance program or dual enrollment, or students participating in shared services, or students enrolled in summer school programs or any student who was eligible to receive a diploma with the class in which that student was enrolled and has had graduation and the student continued enrollment in the district.</p> <p>b. Through inquiry, determine that students claimed are sent to another school district or to a community college to attend classes part-time, or a teacher employed by another district teaches the classes. (Community college courses must be for college credit or for dual college/high school credit and may be provided at the district site. The District that employs the teacher for the district-offered classes can not receive supplementary weighting. The district that hosts and provides the program can not receive supplementary weighting, except in a bona fide regional academy.)</p> <p>c. Determine that the tuition paid to another District or to the Community College supports the number of students reported.</p> <p>4. Report any variances noted for lines 7 through 13 to the Department of Management (DOM) and send copy of the letter to the Department of Education (DE). E-mail notification is preferred at Lisa.Oakley@iowa.gov (DOM) and Su.McCurdy@iowa.gov (DE). (For basic enrollment variances, it is the variance at line 7 that is reported to DOM and DE rather than the individual lines 1 through 6.) For line 12 (supplementary weighting) variances, include a copy of the amended form 12 with the letter to the DE. For lines 8 and 9, indicate the resident district with the amount of variance. Comment accordingly.</p>					
<p>GF-9.80 – Insert revised procedures E.1.-5. as follows:</p> <p>E. Local Option Sales and Service Tax (LOSST):</p> <p>1. Determine the LOSST election was held in accordance with Chapter 423E.2 of the Code of Iowa.</p> <p>2. Determine LOSST revenues are recorded in a separate Capital Projects Fund in accordance with DE guidance.</p>	A				

DISTRICT _____**June 30, 2005**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
3. Determine LOSST expenditures are in accordance with the revenue purpose statement and Chapter 423E of the Code of Iowa. File a copy of the ballot and revenue purpose statement in the permanent file.					
4. Determine that bonds issued to make immediately available the LOSST revenues were issued in accordance with Chapter 423E.5 of the Code of Iowa.					
5. Determine the District received a certificate of need from the Department of Education prior to expending the supplemental school infrastructure amount for new construction or for payments for bonds issued for new construction on or after April 1, 2003 in accordance with Chapter 423E.4(6) of the Code of Iowa.					

DISTRICT _____**June 30, 2005****OPINION, DISCLOSURES AND
OTHER REPORT INFORMATION*****GF-17.1 – Insert revised form as follows:*****A. Independent Auditor's Report on the financial statements:****1. Type of opinion rendered for each opinion unit and reason for modification of opinion, if applicable:**

<input type="checkbox"/> Governmental Activities	U	Q	D	A
<input type="checkbox"/> Business Type Activities	U	Q	D	A
<input type="checkbox"/> Major Fund – General	U	Q	D	A
<input type="checkbox"/> Major Fund -	U	Q	D	A
<input type="checkbox"/> Major Fund -	U	Q	D	A
<input type="checkbox"/> Major Fund -	U	Q	D	A
<input type="checkbox"/> Major Fund -	U	Q	D	A
<input type="checkbox"/> Major Fund -	U	Q	D	A
<input type="checkbox"/> Aggregate Remaining Fund Information	U	Q	D	A
<input type="checkbox"/> Aggregate Discretely Presented Component Units	U	Q	D	A

2. Reliance on opinion of other auditors properly included in the Independent Auditor's Report

Y N N/A

3. Supplemental information accompanying basic financial statements (AU 551) (check applicable):

- ☐ Include "in relation to" opinion.
- ☐ Disclaim opinion on unaudited information.
- ☐ Prior year information audited by whom and type of opinion(s) rendered (for multiple opinions, please describe in the space below):

<input type="checkbox"/>	2004	AOS	Other auditors	U	Q	D	A
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<input type="checkbox"/>	2003	AOS	Other auditors	U	Q	D	A
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<input type="checkbox"/>	2002	AOS	Other auditors	U	Q	D	A
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DISTRICT _____**June 30, 2005****OPINION, DISCLOSURE AND
OTHER REPORT INFORMATION****GF-17.3 – Insert revised form as follows:**
 Y = Yes
 N = No
 N/A = Not Applicable

C. IAR on Internal Control Over Financial Reporting and on Compliance and Other Matter Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards:

1. Instances of material non-compliance	Y	N	<u>GF-12's</u>
2. Instances of non-material non-compliance	Y	N	<u>GF-12's</u>
3. No instances of non-compliance	Y	N	<u>GF-12's</u>
4. Reportable Conditions	Y	N	<u>GF-12's</u>
5. Material Weaknesses	Y	N	<u>GF-12's</u>

D. IAR on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133:

1. Instances of non-compliance	See next page		
2. Reportable Conditions	Y	N	<u>GF-12's</u>
3. Material Weaknesses	Y	N	<u>GF-12's</u>

E. Because this audit is being conducted under Chapter 11 of the Code of Iowa, Government Auditing Standards and OMB Circular A-133, users of the report are presumed to be aware of the conditions under which the report is issued, including the requirement of state law that requires the report to be open to the public.

F. Dollar threshold used to distinguish between Type A and Type B programs	\$	_____	<u>GF-1's</u>
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G. District qualified as low-risk auditee	Y	N	<u>GF-1's</u>
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DISTRICT _____**June 30, 2005****OTHER REPORT INFORMATION**
SINGLE AUDIT***GF-17.7 – Insert revised form as follows:*****NOTIFICATION LETTERS** – The following entities are required to receive an audit notification:

All pass-through entities not required to receive a copy of the reporting package (see previous page),

Circle applicable agencies:Iowa Dept of Public Safety
Wallace State Office Building
LOCALGovernor's Office on Drug Control Policy
Lucas State Office Building
1st Floor
LOCALIowa Dept of Human Services
Division of Fiscal Management
1st Floor
Hoover State Office Building
LOCALIowa Dept of Education
Grimes State Office Building
LOCALIowa Dept of Public Health
Lucas State Office Building
LOCALIowa Dept of Natural Resources
Wallace Building
LOCALIowa Dept of Elder Affairs
Clemens Building
LOCALIowa Dept of Economic Development
200 East Grand
Des Moines, Iowa 50309Iowa Dept of Transportation
Attn. Tom Devine
800 Lincoln Way
Ames, IA 50010Iowa Dept of Public Defense
Iowa Homeland Security and
Emergency Management Division
Hoover Building
LOCAL

List other agencies and their addresses:

DISTRICT _____**June 30, 2005****INCHARGE REVIEW QUESTIONNAIRE**

QUESTION	YES	NO	N/A
<i>GF-22.1 – Insert revised question 4. as follows:</i>			
4. Are you satisfied that the evidence gathered does not disclose suspicions of abuse, fraud, violations of statutory, regulatory and contractual provisions, or other illegal acts other than those noted in the statutory comments of the report?			